

Goal J4: Improve Organizational Performance

Objectives

J4.1. Increase customer's overall satisfaction with highway system to 75% by 30 June 2005

Customer Satisfaction
What Else Did Our Customers Tell Us?
Additional Findings

J4.2. Increase employee satisfaction

Employee Satisfaction

K4.3. Increase the dollar amount of savings identified through employee suggestions by 10% by 30 June 2004

Employee Suggestion Program

K4.4. Ensure our capability to respond to disaster

Transportation Security
Disaster Response
Emergency Response
Transportation Operations Center

K4.5. Attract, Develop, Involve, and Retain Qualified People

Absenteeism
Employee Turnover Rate
Lost Workdays
Workers' Compensation Claims

K4.6. Increase percent of funding for the use of technology to 2.45% by 30 June 2005

Information Technology Funding

K4.7. Ensure Strong Ethical Standards

Equal Employment Opportunities

Customer Satisfaction

Background

The Cabinet is committed to understanding what is important to our customers, and then working to improve customer satisfaction. One of our values is satisfying our customers. We also value their involvement in what we do. From customer surveys, we know their stated priorities are safety, pavement conditions, and traffic flow. We also understand that delivery of timely, courteous service is important to our customers. Due to the overall margin of error associated with our survey, and the overall changes in satisfaction data, we have elected to conduct this survey every two years rather than annually. Our intention is to better identify shifts in trends.

Purpose

This measure is used to report and track the level of customer satisfaction with various aspects of the transportation system.

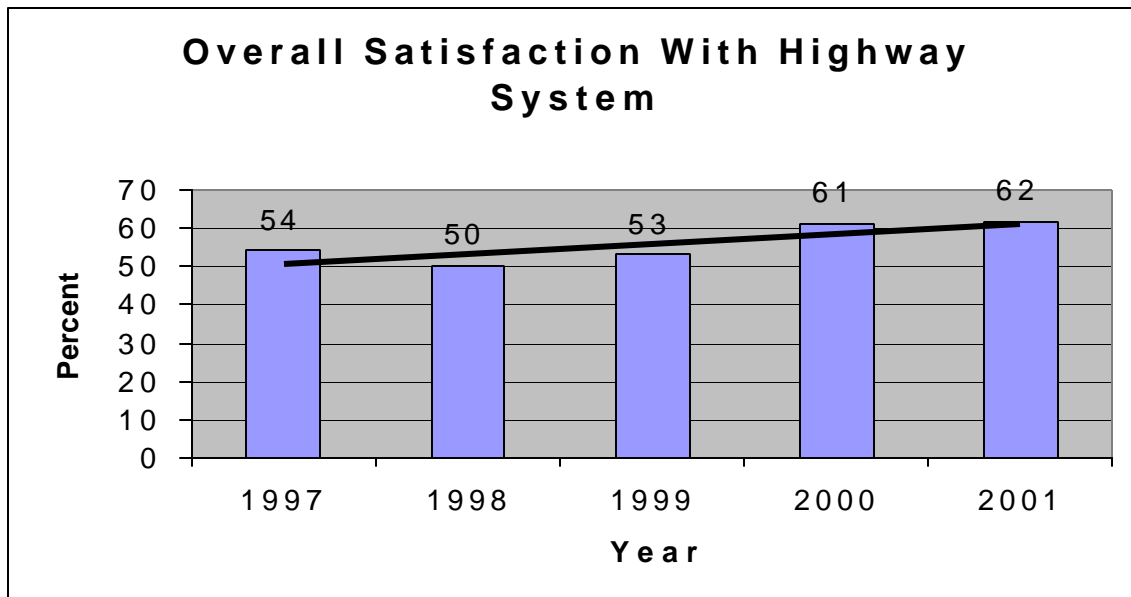
Method

The University of Kentucky Survey Research Center conducted the survey in January 2002 and provided analysis. The primary method of data collection was telephone interviews of adults that were a licensed driver 18 years old or older and had also driven on a Kentucky highway within the past year. A random selection method was used with confidence levels of 95%. Information in this section is reported as 2001 because that is how the University provided it.

Improvement/Results

Improvement is indicated, for most graphs, by an upward trendline. Comments and analysis are provided with each graph.

This year's overall satisfaction with the Highway system is up 1%. Our increasing trend indicates that we are on track to meeting the expectations of our customers. The data in the chart to the left reflects the customer's perception of the roadway they most often use, after they had considered various attributes.



It is important for us to understand the demographic dimensions of Kentuckians using the highway system. From our survey results, we determined the following characteristics of highway users (leading indicators):

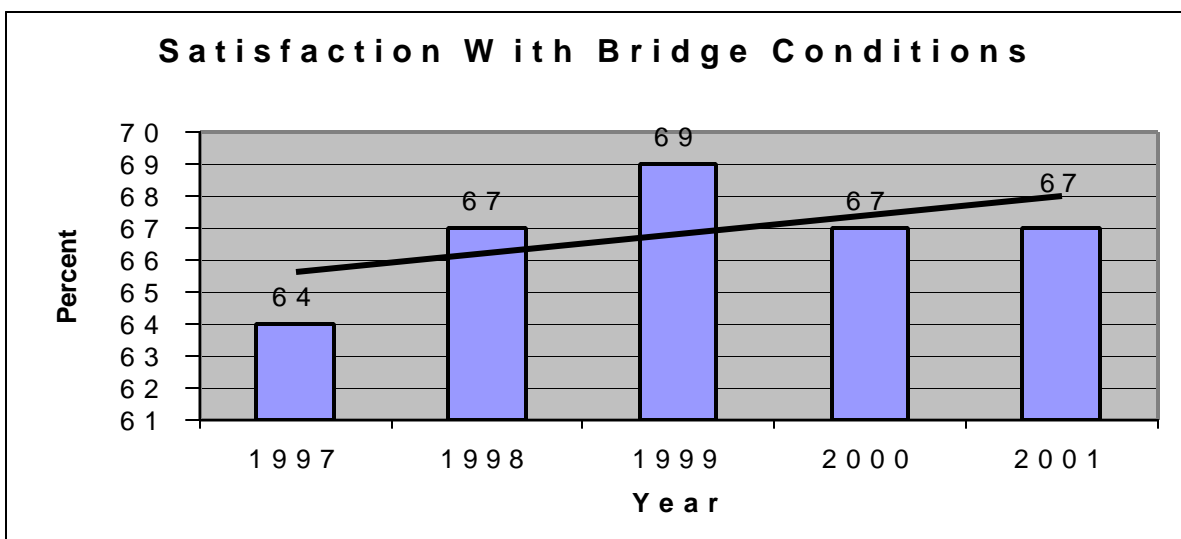
- 52% are Female
- 46% are between the ages of 35 and 54
- 38% have High School Diploma/GED
- 42% use the highway system for commuting
- 37% use major two-lane highways, and 30% use interstate system
- 54% most frequently use rural roads, and 39% use urban systems
- 58% use a car, and 22% use a truck

Additional information determined from analysis follows:

- Car drivers were significantly more likely to be satisfied than truck drivers.
- Those who traveled primarily on interstate highways and those who traveled on other multi-lane highways were significantly more likely to be satisfied than those who traveled on rural secondary roads.
- Those who traveled primarily on interstate highways were also significantly more likely to be satisfied than those who traveled primarily on major two-lane highways.

It should also be noted that this year, 25% of the respondents indicated that they were neutral in their decision of satisfaction or dissatisfaction. There has been a decreasing trend over the years of the percentage of neutral responses. Responses have been shifting to the satisfied response. Our actual dissatisfaction percentage is 13%.

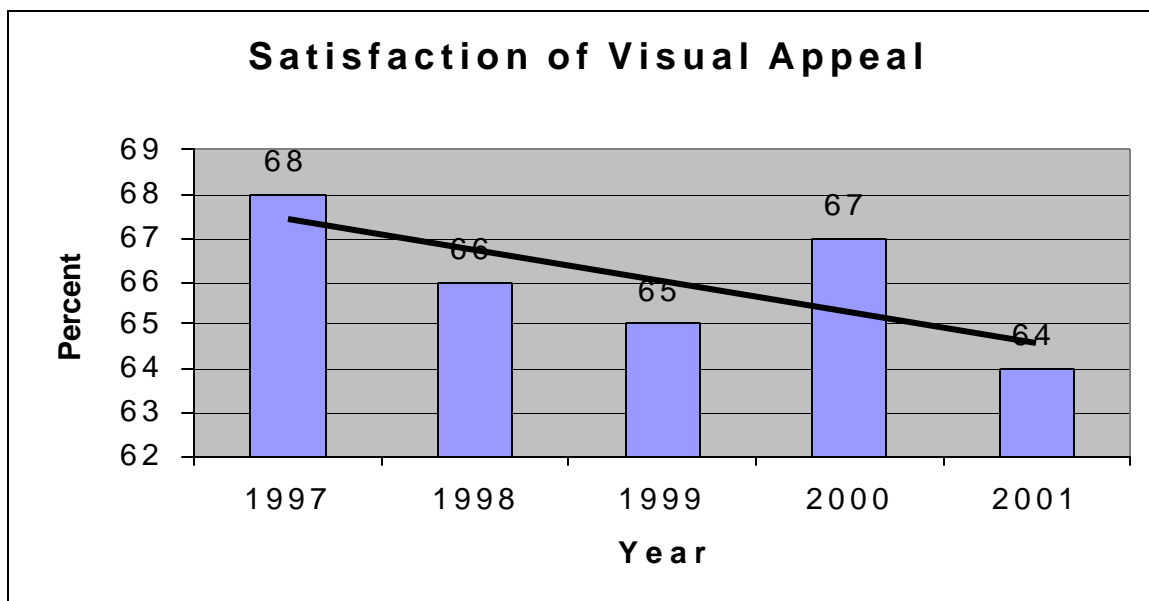
The next few pages provide information and data about the satisfaction with highway characteristics. A total of seven characteristics were tested in this study – Safety, Traffic Flow, Pavement Conditions, Bridge Conditions, Visual Appeal, Maintenance Response Time, and Travel Amenities. For each of the seven characteristics, customers were asked to rate their satisfaction with a series of several distinct attributes. Overall satisfaction with Travel Amenities, Safety, Traffic Flow, and Pavement Conditions has increased, while satisfaction with Visual Appeal and Maintenance Response Time has decreased.



Based on historical data and information, we elected to change the attributes for this measure this year. We discontinued asking about durability, and asked about visual appearance, and smooth ride. Specific data for attributes are provided in the following table.

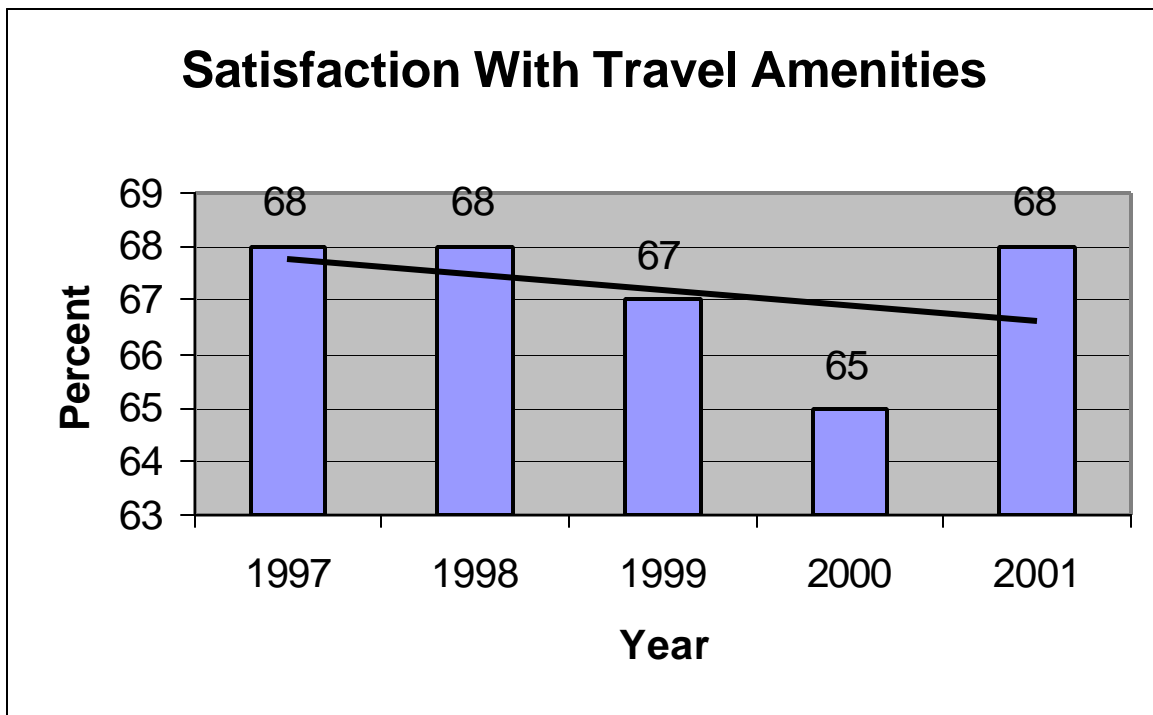
	Durability	Visual Appearance	Smooth Ride	MRP Rating for Bridge Conditions
Change from last year	N/A	-2%	+1%	+1.36
2001	N/A	68%	61%	74.40 points
2000	70%	70%	60%	73.04 points
1999	71%	69%	61%	72.61 points
1998	72%	70%	57%	No data
1997	68%	69%	56%	No data

Our data also shows that the points identified for Bridge End Bumps in our Maintenance Rating Program have increased by 1.36 points.



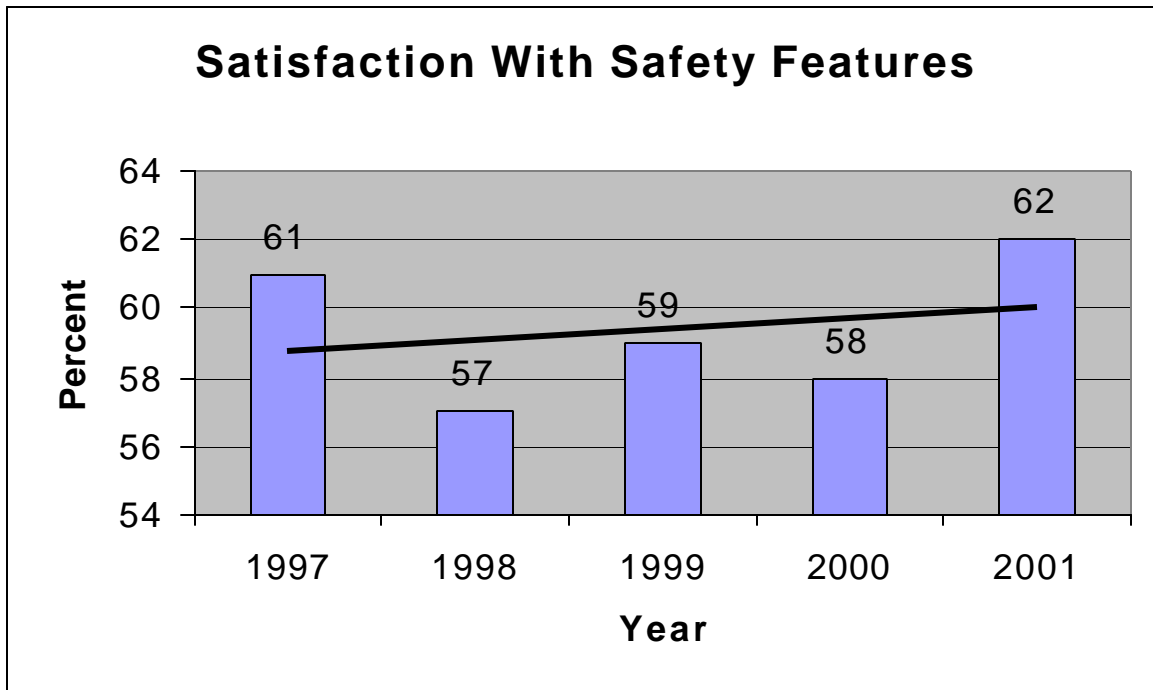
Visual Appeal is very subjective. What is appealing to one roadway user will vary greatly to another. Our data indicates a slight overall decreasing trend of 4% over the last 5 years. This decrease is still within the margin of error for the survey. Specific initiatives or activities are not yet warranted for this attribute. One potential cause for the reduction in percentage this year is that we changed what we measured. Previously, there were four attributes surveyed: Rest Area Design, Landscaping, Environmental Compatibility, and Sound Barriers. This year we added General Appearance, and discontinued measuring Rest Area Design and Landscaping. We are pleased with knowing that 57% of our customers are satisfied with the general appearance of our infrastructure. Adding in the 25% that are neutral, we are left with about 18% that are dissatisfied. Specific data for each attribute are provided in the following table.

	Rest Area Design	Landscaping	Environmental Compatibility	Sound Barriers	General Appearance
Change from last year	N/A	N/A	0%	+2%	New
2001	N/A	N/A	64%	60%	57%
2000	79%	65%	64%	58%	
1999	79%	62%	67%	60%	
1998	78%	60%	68%	62%	
1997	80%	64%	68%	62%	



This year was a rebound year for satisfaction with Travel Amenities. After reviewing the historical data, we decided that we might not have been asking the right questions on the survey. Historically, we measured the attributes of Mileage/Destination Signs, Variety of Rest Areas/Plaza Services, Number of Rest Areas/Plazas, Service/Attraction Signs, and Number of Radio Advisory Stations. We determined that we could not influence the customer's satisfaction relative to radio advisory station signs without having some influence in the coverage area of advisory stations, so we discontinued asking about this attribute. We also discontinued asking about the number of rest areas and plazas. Playing devil's advocate with the data, if the customers had indicated to us that they were dissatisfied with the number of rest areas, we could not be responsive to their needs by just going out and building them. Specific data are provided in the following table.

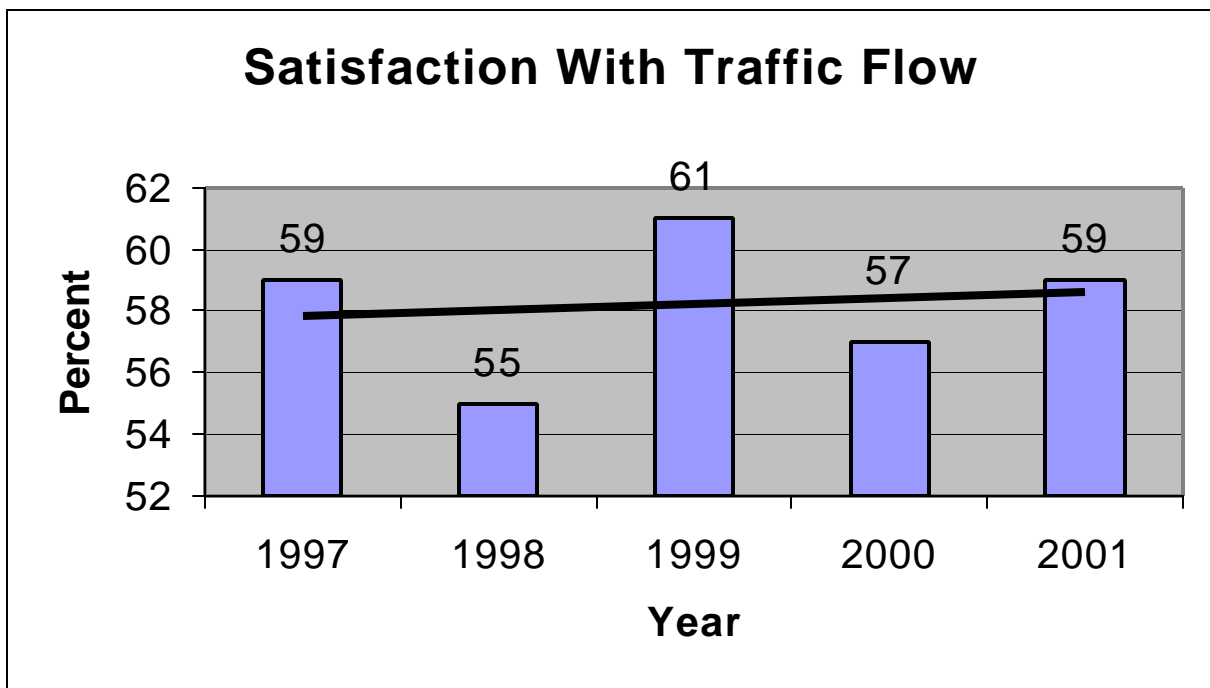
	Mileage Signs	Variety of Services	Number of Areas	Service Signs	Radio Advisory Stations
Change from last year	+1%	+5%	N/A	+4%	N/A
2001	75%	77%	N/A	70%	N/A
2000	74%	72%	67%	66%	48%
1999	76%	71%	71%	67%	51%
1998	74%	59%	68%	66%	46%
1997	75%	61%	66%	71%	48%



Safety is one of our key indicators of success. Safety is much more than highway fatalities. This years 62% satisfaction rating has abruptly ended our decreasing trend of 3% since 1997. The increase may be caused by one additional attribute we added this year. We thought it would be important to find out how well we are doing at creating an environment where our customers can see what's going on around them as they travel the infrastructure. In addition to the attributes of Warning Signs, Construction Signs, Lane Width, Pavement Markings, Safety Barriers, Detour Directions, Shoulder Width, Roadway Lighting, and Wet Weather Conditions, we added Visibility. Visibility alone indicates a 70% satisfaction rating from our customers. Specific data for each attribute is provided in the following tables.

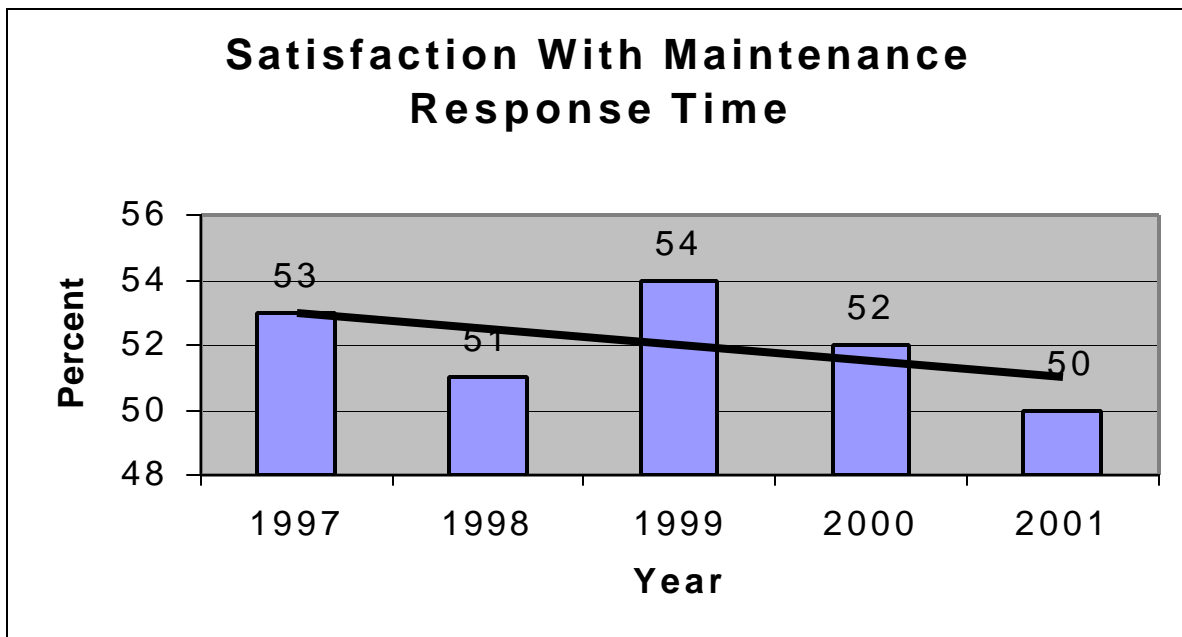
	Warning Signs	Construction Signs	Lane Width	Pavement Markings	Safety Barriers
Change from last year	+2%	-1%	-1%	0%	+1%
2001	71%	64%	62%	62%	63%
2000	69%	65%	63%	62%	62%
1999	69%	69%	67%	63%	63%
1998	70%	67%	69%	63%	63%
1997	70%	71%	69%	66%	66%

	Detour Directions	Shoulder Width	Roadway Lighting	Wet Weather Conditions	Visibility
Change from last year	+3%	-6%	-2%	+6%	New
2001	58%	49%	50%	50%	70%
2000	55%	54%	52%	44%	
1999	57%	58%	56%	49%	
1998	58%	54%	57%	49%	
1997	57%	57%	54%	49%	



Customer's perception of traffic flow has increased this year by 2%. Specific attributes measured for this area have changed. Historically, we measured Toll Booth Delays, Accident Clean-up, Level of Congestion, and Construction Delays. We determined that we could not control all accident clean up activities so elected to drop measurement of this attribute. Our customers are not aware of what accidents we are made aware of and which ones we are not. Asking a question about accident clean up would imply that we would be expected to respond to all accidents to perform clean up activities. This level of service and expectation is unrealistic. Specific data and information is provided in the following table.

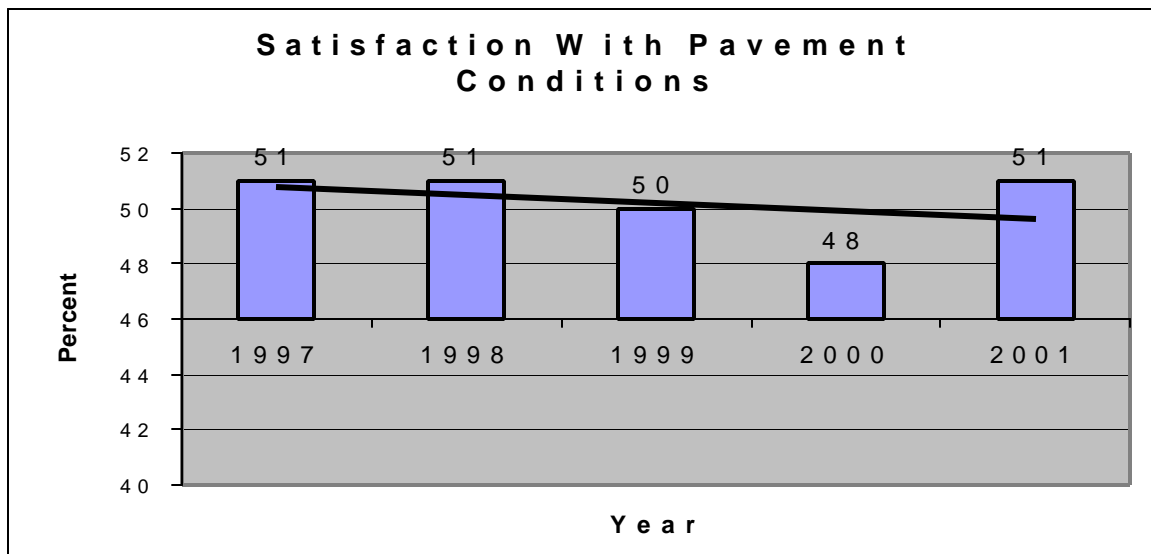
	Toll Booth Delays	Accident Clean-up	Level of Congestion	Construction Delays
Change from last year	0%	N/A	-2%	0%
2001	66%	N/A	44%	44%
2000	66%	62%	46%	44%
1999	81%	62%	50%	42%
1998	76%	64%	44%	40%
1997	77%	66%	47%	41%



We dropped another 2% this year to an all time low. We are not sure if the drop is a result of actual change in satisfaction or attributable to the survey's margin of error of +/- 3.5%. However, it is troublesome to see the continued decreasing trend in satisfaction. The attributes measured for this area includes Rest Area Cleaning, Snow Removal, Guardrail Repair, Litter Removal, and Pavement Repairs. Though the attributes for this area did not change, some wording of two questions did change. This year we were very specific and asked for satisfaction with our snow and ice removal performance. We also changed the wording for pavement repairs to ask satisfaction with the time it takes us to repair pavement damage or potholes. Additional emphasis in all these areas is required. Specific data is provided in the following table.

	Rest Area Cleaning	Snow Removal	Guardrail Repair	Litter Removal	Pavement Repairs
Change from last year	-1%	-3%	+3%	-3%	-3%
2001	73%	61%	62%	51%	32%
2000	74%	64%	59%	54%	35%
1999	76%	62%	65%	57%	37%
1998	69%	46%	65%	56%	37%
1997	75%	48%	64%	60%	35%

Since 1997 we have made major improvement in our ability to satisfy customer's expectations of snow removal. Holding the gains in pavement repairs, considering the increase in roadways throughout Kentucky, is notable, yet we still have work to do in this area to increase customers perceptions.



This year we show an increase of 3% in satisfaction with pavement conditions. The data still indicates a downward trend that will take additional measurements, and positive performance to correct. Specific attributes measured in this area include Quiet Ride, Surface Appearance, Durability, and Smooth Ride. We also added two additional attributes of Surface Conditions and Water Drainage. Data about these attributes are provided in the following table.

	Quiet Ride	Surface Appearance	Durability	Smooth Ride	Surface Conditions	Water Drainage
Change from last year	+3%	+9%	+6%	+7%	New	New
2001	54%	53%	48%	48%	38%	51%
2000	51%	44%	42%	41%		
1999	54%	54%	51%	48%		
1998	51%	51%	50%	48%		
1997	53%	53%	46%	48%		

Summary of Results Identified Above

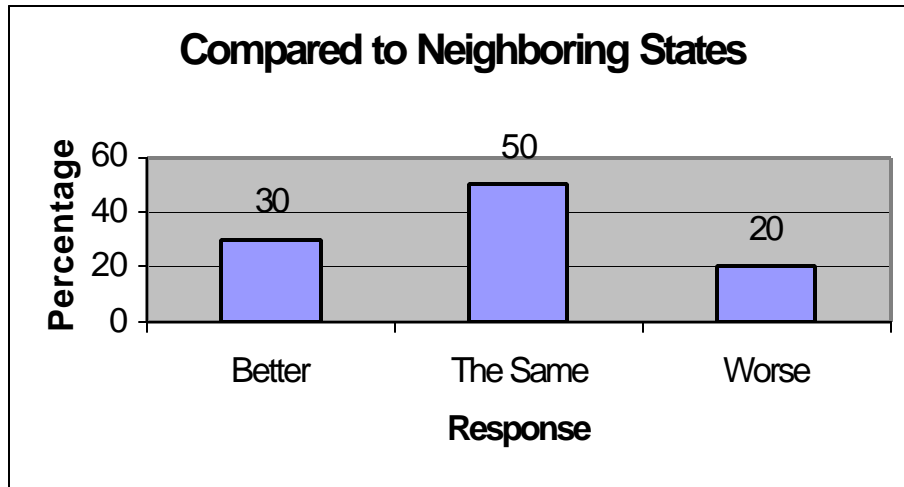
The following table illustrates attribute changes from 2000 – decreases are shown on the left; increases on the right. Differences exceeding the margin of error are shaded.

Decreases from 2000	No Change from 2000	Increases from 2000
Shoulder width	Bridge conditions	Pavement durability
Congestion level	Environmental compatibility	Pavement surface appearance
Timeliness of rest area cleaning	Pavement markings	Ride smoothness on pavement
Visual appearance of bridges	Toll booth delays	Service/attraction signs
Timeliness of snow/ice removal	Construction delays	Wet weather pavement conditions
Pavement repairs		Guardrail repair
Timeliness of litter removal		Quietness of ride on pavement
Construction signs		Detour signs
Lane width		Sound barriers
Roadway lighting		Mileage/destination signs
		Safety barriers
		Ride smoothness on bridges

What Else Did Our Customers Tell Us?

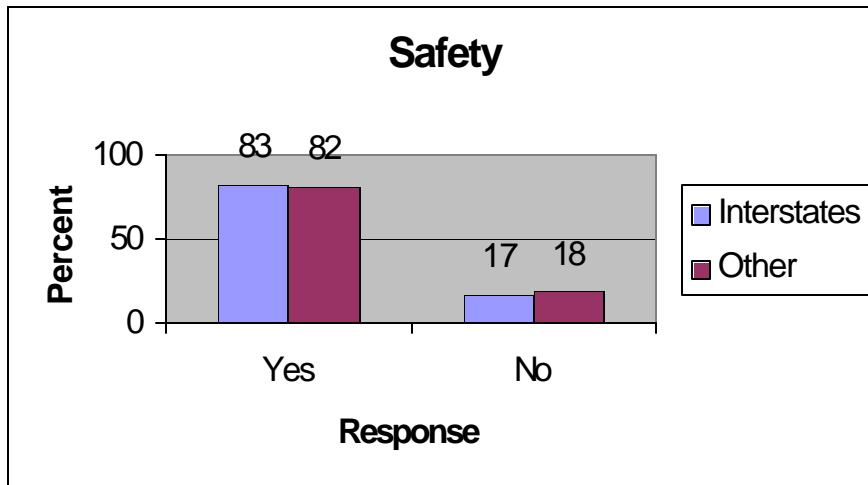
For the 2001 survey, several questions were included to assess how safe people felt on Kentucky highways, how well the highways were maintained, and how we stack up to neighboring states where people may have experienced driving. The results are presented below.

How would you compare Kentucky Highways to neighboring states?

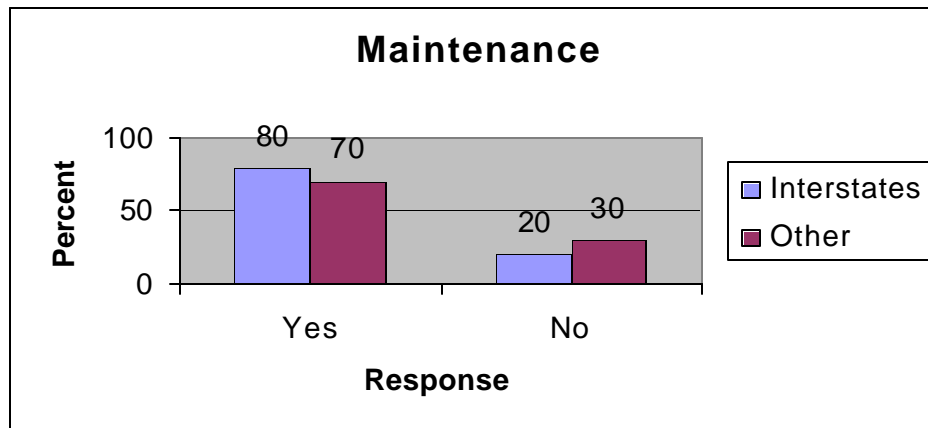


While more thought Kentucky Highways were better than worse, about half of the respondents thought they were about the same. Drivers who primarily use rural secondary and major two-lane highways are more likely to think Kentucky Highways are better than neighboring states than those who primarily drive the Interstates. Those who drive mostly in rural areas are more positive about our roads compared with other states than those who drive in urban/suburban areas.

Do you think Kentucky Highways are safe?

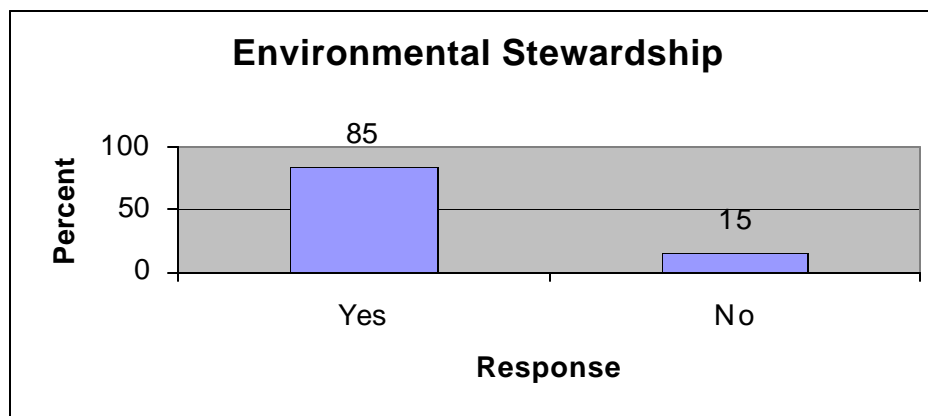


Do you think Kentucky highways are well maintained?

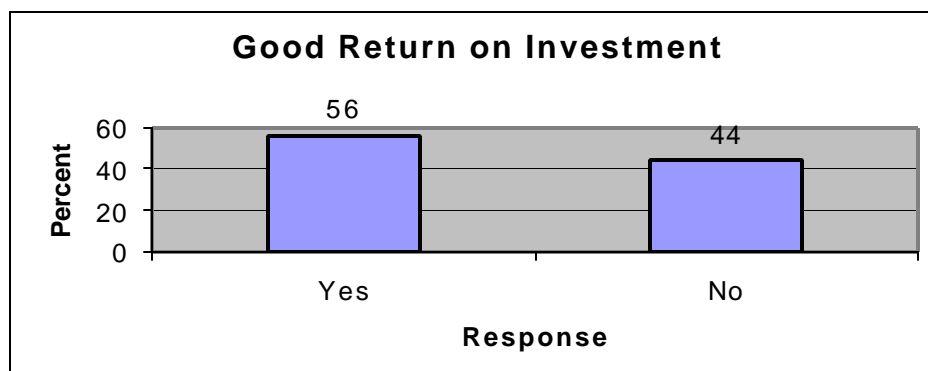


In general, respondents think Kentucky highways are safe and well maintained, with the Interstates fairing a little better than other highways. Those who drive primarily on rural highways are more likely than urban/suburban drivers to think that all highways are well maintained and that non-interstates are safe. Truck drivers are more likely to think non-interstates are well maintained than SUV drivers.

Does the Transportation Cabinet take adequate measures to protect and preserve the environment?

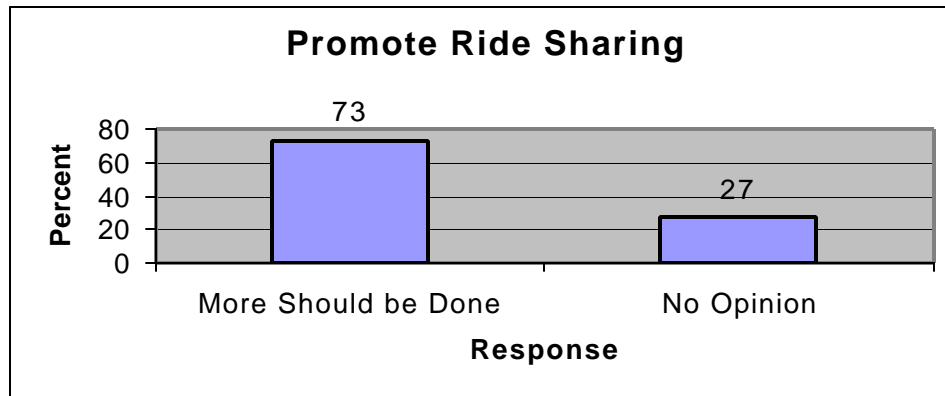


Do you think you are getting a good return on investment for your gasoline tax dollars?



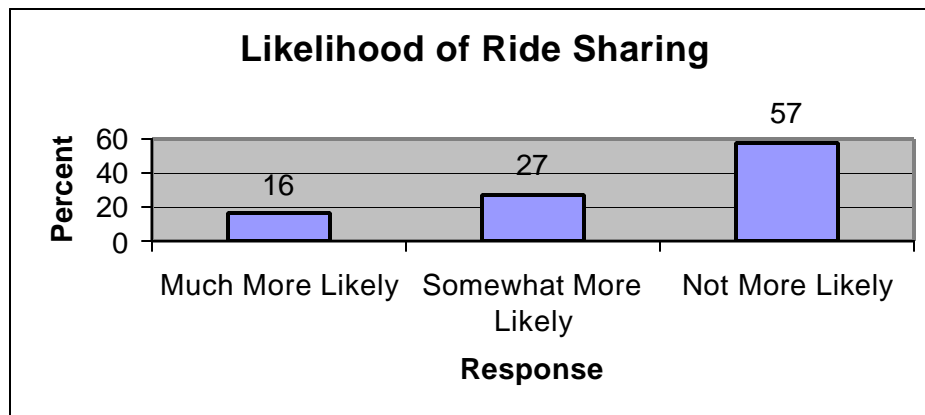
Truck drivers were more likely to agree than car and SUV drivers did.

Should the Transportation Cabinet do more to promote ride sharing or car-pooling?



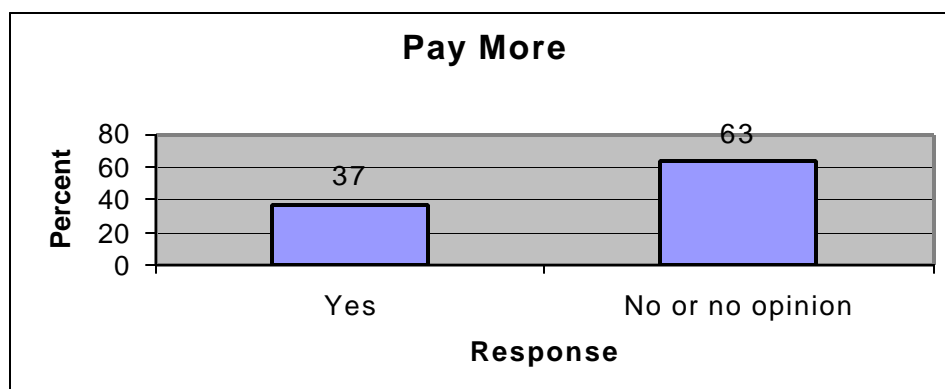
Those who primarily drive rural secondary roads were significantly less likely to agree than those who drive all other types of highways.

How much more likely would you be to car-pool or share rides if accommodations were made to the highway system?



Interestingly, our customers indicate that we should do more to promote ride sharing and car-pooling, but 57% would more than likely not do it. Overall, 43% of those who do not already share rides said they would be likely to start doing so. Currently, 2% reported they ride share.

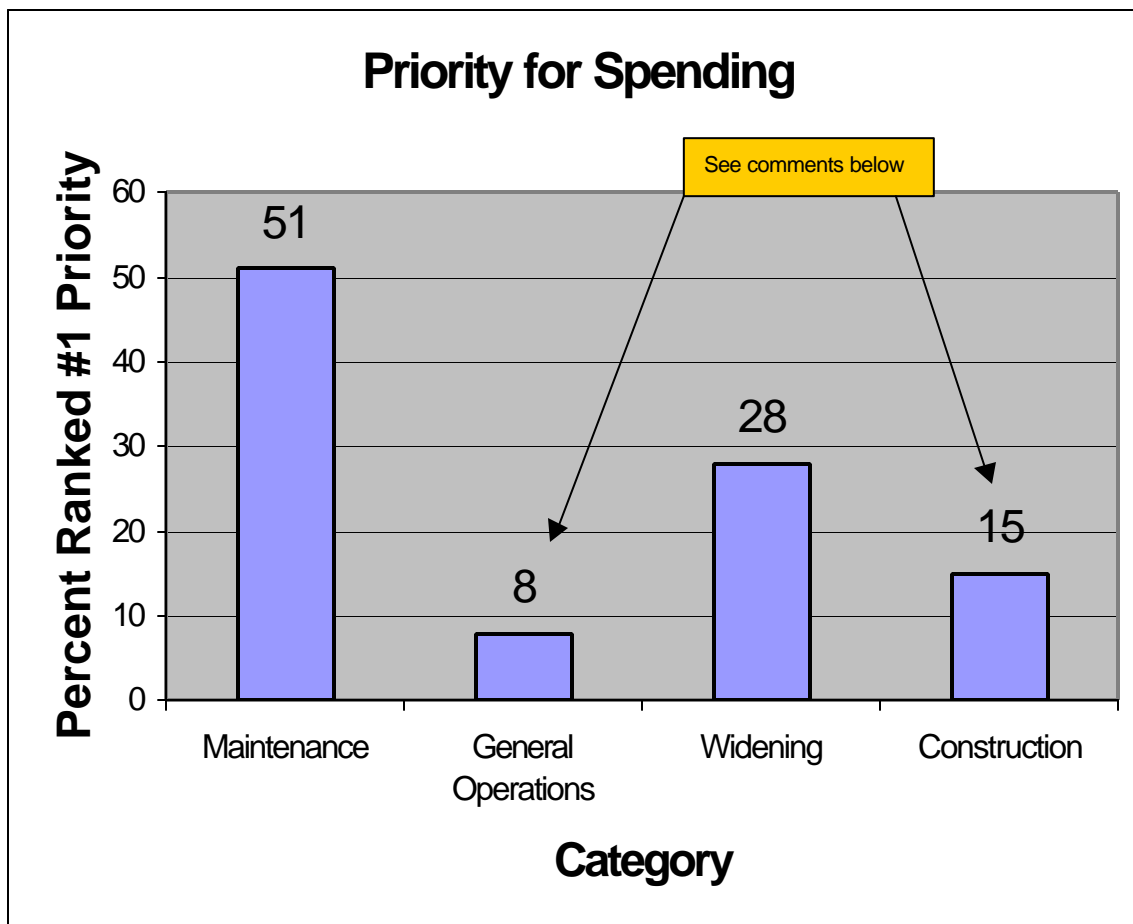
Would you be willing to pay an extra \$1.00 when you fill your gas tank if it were guaranteed to be spent on additional highway maintenance?



Our customers were given the opportunity to rank order their preferences among four areas for how the expenditure of highway dollars should be prioritized. The four areas were:

- 1) Maintenance of Existing Roads
- 2) General Traffic Operations Such as Signs, Signals and Turn Lanes
- 3) Widening Existing Roads
- 4) Constructing New Roads

The chart below shows the percentage of all respondents who selected each area as their HIGHEST priority.



Clearly, the majority of Kentucky drivers prefer that Maintenance of existing roads be given the highest priority. Examining the portion of the population that preferred an area as the number one priority does not make full use of the data. The chart above may mislead one to believe that “General Operations” was the public’s lowest priority, when in fact “*Constructing New Roads*” was lowest. This was determined by looking at the aggregate priority rankings overall. The aggregate highest ranked priority for Kentucky motorists is to spend money on Maintenance (average rank = 1.8). The next highest ranking priority was Widening (average rank = 2.3). The third highest-ranking priority was General Operations (average rank = 2.9), followed lastly by Constructing New Roads (average rank = 3.0).

Additional Findings

This section highlights additional results regarding the relationship between satisfaction of highway characteristics and the type of vehicle driven, primary type of highway driven, and whether the majority of miles was on urban/suburban or rural roads. Each of the seven characteristics measured is listed below with key driving pattern differences outlined for each. Only statistically significant relationships are reported.

Traffic Flow – Those who reported most of their driving was on rural roads were more satisfied than those driving on suburb/suburban roads.

Safety:

- Higher satisfaction was expressed by interstate drivers than by major two-lane highway users.
- Lower satisfaction was expressed by rural secondary road drivers than by drivers of all other types of highways.

Visual Appeal:

- Drivers who put most their mileage on interstates gave higher ratings than did those who use major two-lane or rural highways.
- Users of other multi-lane highways were also more satisfied than drivers on rural highways.
- Car drivers were more satisfied than truck drivers.

Travel Amenities:

- Interstate travelers gave higher ratings than those who usually drive on major two-lane highways.
- Lower ratings were given by rural secondary road drivers than by drivers of all other types of highways.
- Car drivers were more satisfied than truck drivers.

Maintenance Response Time:

- Car drivers were more satisfied than truck drivers.
- Lower satisfaction was expressed by rural secondary road drivers than by drivers of all other types of highways.

Pavement Conditions:

- Satisfaction was higher for car drivers than for truck drivers.
- Lower satisfaction was expressed by rural secondary road drivers than by drivers of all other types of highways.

Employee Satisfaction

Background

The Kentucky Transportation Cabinet seeks to attract, develop, involve, and retain qualified people. To achieve this, we must provide a work environment and a work climate that supports the well-being, satisfaction, and motivation of each employee.

Purpose

This measure is intended to provide a “snapshot” assessment of employee attitudes and morale. An in-depth assessment was not accomplished this year. We elected to take a random sample of employees to participate in answering key questions relating to safety, responsiveness, continuous improvement, credibility, on-time, and within budget. Additional questions were asked to determine the general perceptions of employment with and support from the Cabinet.

Method

Employees were randomly selected to participate in this year’s survey. The survey was sent via electronic mail to employees throughout the Transportation Cabinet. Employees had three options for responding to the survey, which included electronic reply, messenger delivery of completed printed copy, or hand delivery of printed copy. Selected employees were encouraged, but not required to participate. The Office of Quality administered the survey to ensure employees of confidentiality of responses provided.

Improvement/Results

1 = Strongly Agree 2 = Agree 3 = Disagree 4 = Strongly Disagree 5 = Not Important

Question	Average Answer
1. I believe KYTC is a safe environment to work in.	1.90
2. I believe KYTC is responsive to my needs.	2.27
3. I am involved in continuous improvement activities as much as I want to be.	2.15
4. I believe supervisors do what they say they will do.	2.17
5. I have the ability to accomplish my work on time.	1.88
6. I have the ability to accomplish my work within budget.	2.03
7. I believe KYTC offers all the training I need to do my work.	1.93
8. I believe my overall benefits meet my basic needs.	2.12
9. KYTC provides a pleasant working environment.	2.22
10. I would recommend KYTC as a preferred place of employment.	2.10
AVERAGE	2.08

The results indicate that we do not have major concerns with employees’ perceptions about employment and the working environment

Employee Suggestion Program

Background

The Employee Suggestion Program was established by KRS 18A.110 and 101 KAR 2:120 as an incentive program for all state employees. Any employee with status in the classified service (merit system) may be recognized and rewarded for submitting a suggestion that results in the improvement of state service or in the realization of savings by the State. The Transportation Cabinet's Employee Suggestion System Coordinator within the Division of Personnel Services is responsible for processing suggestions made by the employee. The coordinator initially reviews suggestions, researches appropriateness of suggestions and represents the Cabinet on the Employee Suggestion Council, which consists of representatives from all state government agencies. The Council must approve all suggestions.

Purpose

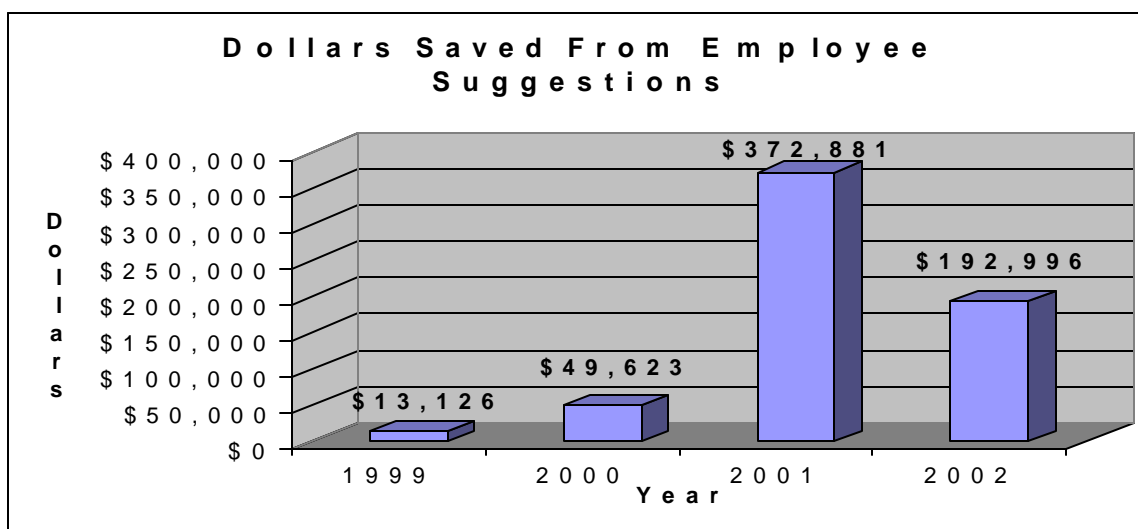
According to the statute (101 KAR 2:120), a suggestion shall be a positive idea which: a) explains how to improve methods, equipment or procedures; b) reduces time or cost of a work operation; c) creates a safer work environment; d) increases revenue; or e) improves relationships with or services for the public. This program provides a means for employees to improve Cabinet activities on an on-going basis.

Method

Employees must complete an Employee Suggestion Form and submit it. The Cabinet coordinator determines if the employee is eligible to participate and whether the suggestion duplicates a previous suggestion or is ineligible. An evaluation of the employee suggestion is completed and the suggestion is either approved or denied.

An approved suggestion is eligible for a monetary award of 10% of the first year savings of the implemented suggestion with a minimum of \$100 and a maximum of \$2500. An approved suggestion for which no savings can be determined, or there is no actual savings is eligible for the minimum reward of \$100.

Improvement/Results



Transportation Security

The Transportation Cabinet, over the last year, has developed and delivered a statewide awareness program for Transportation field personnel. The awareness topics covered are hazardous materials, weapons of mass destruction, first responder, incident management, and terrorism. To this point in time, the Cabinet has trained bridge inspectors and traffic, maintenance, and construction personnel from the twelve Highway Districts. In the coming year, we will continue to provide awareness training for field personnel.

The Cabinet has participated in national workshops to identify transportation vulnerabilities and strengthen security of our highway infrastructure. A preliminary list of vulnerable highway facilities has been developed. These efforts are ongoing and will continue to be a priority for the Cabinet.

The Cabinet is a member of the Governor's Homeland Security Task Force. We have also discussed transportation security issues with the major railroads serving Kentucky.

Disaster Response

This year we underwent an exercise to identify resources and gaps in our capability to respond to a maximum demand worse case scenarios for each District. Scenarios differ between Districts. Once a District identified their scenario, they identified the resources they would need to respond to the situation. A comparison was then done to determine the gaps between what was needed to respond and what they currently had, or could get. Cost data was then estimated for personnel, skills, equipment, construction, material, planning, etc. for the gap.

The average District level cost gap is \$50M

Contingency funding and/or planning initiatives has begun and will be documented to identify actions to be taken in the event of specific contingency situations. Over time, we expect gaps between what we currently do and what will be needed of us during times of contingency to be bridged. Along the same line, we would, as best as legislatively possible, identify normal operational funding practices that would offset contingency funding issues. Emphases will need to be placed on buying equipment that can be used during normal and contingency operations. Personnel and their skills need to transition so that contingency skills are available and being used during normal operations.

This is a new objective and will be under construction to ensure planning and implementation capability requirements have been fully developed.

Emergency Response

The Transportation Cabinet has worked and continues to work cooperatively with the Division of Emergency Management in response to natural or man made disasters. The Cabinet provides a representative to assist in managing response and recovery efforts that affect the transportation system. This representative acts on behalf of the Cabinet to identify and mobilize the Cabinet's equipment, material, and manpower resources as needed.

The Cabinet has initiated the development of an Emergency Response Plan to enable quick response for any natural or man made disaster. We have met to identify needs and to determine the direction the Cabinet must go in order to meet the needs of the Commonwealth. The Emergency Response Plan will be a living document in need of constant updating as the needs of the Commonwealth change.

Transportation Operations Center

The Transportation Cabinet is continuing its development of a statewide Transportation Operations Center that will serve as a clearinghouse for transportation system information. This center will be staffed with employees who will provide Vehicle Enforcement dispatching services and monitor road and weather conditions. The monitoring of road and weather conditions will require communication and cooperation with Vehicle Enforcement, Kentucky State Police, Emergency Management, Highway District Offices, regional traffic management centers, and local law enforcement agencies. Road and weather conditions will be shared with the traveling public by several methods including the 511 traffic and travel telephone service and the related 511 website.

The Transportation Operations Center will play an integral role in the Cabinet's transportation security and emergency response activities. The Center will also be involved in timely child abduction alerts when such an alert is initiated by the Kentucky State Police.

Absenteeism

Background

Employees, who are satisfied with their work, generally have better attendance rates. Thus, employee satisfaction can be reflected in absenteeism rates. This performance measure provides information on leave without pay and sick leave.

Purpose

Absenteeism can reflect on an employee's dedication to duties and job satisfaction level. It can have an impact on the workload and productivity of other employees who remain on the job. The purpose of this measure is to gauge employee desire to be at work, and to provide comparisons from one year to another.

Method

Absenteeism data will be collected annually by the Division of Personnel Services with assistance from the Division of Accounts.

Improvement/Results

Rates for sick leave usage during FY '02 were steady as compared to FY '01. Approved and unapproved leave without pay resulted in a slight decrease.

The Cabinet's goal is to reduce the amounts of sick leave and leave without pay taken by the end of FY 2003 to 3.50% from 1999's yearly rate of 4.62%. At the end of FY '01, the average was 4.47%, and at the end of FY '02 the average was slightly lower at 4.43%. This indicates that the Cabinet is slowly moving in the right direction, but much improvement is still necessary if we want to reach our FY 2003 goal. Of the total hours reported, leave time percentages during the fiscal years are as follows:

Reporting Period	Total Hours Reported	Sick Leave Used (Hrs / %)	Approved Leave Without Pay Used (Hrs / %)	Unapproved Leave Without Pay Used (Hrs / %)
FY 2000 July 1, 1999- June 30, 2000	13,243,611.06	545,215.67 (4.117%)	35,515.26 (0.268%)	30,017.83 (0.227%)
FY 2001 July 1, 2000- June 30, 2001	12,889,016.26	510,425.25 (3.960%)	39,290.89 (0.305%)	26,733.36 (0.208%)
FY 2002 July 1, 2001- June 30, 2002	13,023,737.76	515,769.55 (3.960%)	37,266.04 (0.286%)	23,430.35 (0.180%)

While data shows the total number of hours of unapproved leave without pay has steadily declined, the number of employees reported as being on unapproved leave without pay has **increased** from 207 in FY '01 to 251 in FY '02.

The Division of Personnel Services, with the assistance from the Division of Accounts, will continue to monitor and assess absenteeism rates with each division/district. In order to improve in this area, Personnel Services will advise managers of employees who have been reported as being on unapproved leave without pay for 25 hours or more and require explicit explanations for each of these employees. In addition, the Division of Accounts has been encouraged to conduct refresher training sessions for payroll personnel on what to do when the payroll system rejects an employee's reported leave due to an insufficient balance. This will attempt to curb employee information from being reported incorrectly in our system.

Managers will also be encouraged to consider leave balances for all personnel actions affecting compensation in order to provide an incentive to reduce absenteeism.

Employee Turnover Rate

Background

Employees who are satisfied with their employment generally stay with their employer longer. Employee satisfaction can be reflected in turnover rate. Although many factors can be involved with turnover rate, it is acknowledged that a lower rate is better.

Purpose

This measurement provides an indicator of employee satisfaction. Setting aside unusual events such as retirement incentives, the turnover rate can measure the level of attachment and loyalty employees feel for our Cabinet.

Method

The Transportation Cabinet analyzes turnover data provided by the Personnel Cabinet.

Improvement/Results

Employee turnover in FY '02 decreased to 4.29% as compared to FY '01's rate of 4.61%. Both years remain under the Cabinet's goal of **6% or less**. Data includes employee resignations, terminations, deaths and military leave.

It is noted there was a slight increase in Cabinet personnel being placed on military leave in FY '02. Currently, 54 employees have reported as being members of Armed Forces. Since September 11, 2001, 13 employees have been called to active service.

To maintain or possibly improve the current turnover rates, Personnel Services has developed an Employee Exit Interview form for voluntary separations. The information obtained on the form will help determine areas in which improvements can be made to retain skilled and experienced employees. Personnel Services will also continue to monitor turnover within individual divisions and districts and advise when the number of separations is excessive.

A breakdown of employee turnover is as follows:

	July 2000 - June 2001		July 2001- June 2002	
	# of Separations	Percentage	# of Separations	Percentage
Resignations	226	3.72%	191	3.13%
Terminations	32	0.53%	44	0.72%
Death	19	0.31%	16	0.26%
Military Leave	3	0.05%	11	.18%
Totals	280	4.61%	262	4.29%

Note: Though not included in the above figures the number of retirements increased in FY '02. There were 215 retirements in FY '01 and 287 in FY '02. The increase was not surprising since new retirement incentives were implemented coupled with the Cabinet's growing number of career employees.

Lost Workdays

Background

As a companion measure to OSHA recordable incident rates, this measure gives information on workdays lost due to on-the-job accidents. Lost workdays usually impact productivity.

Purpose

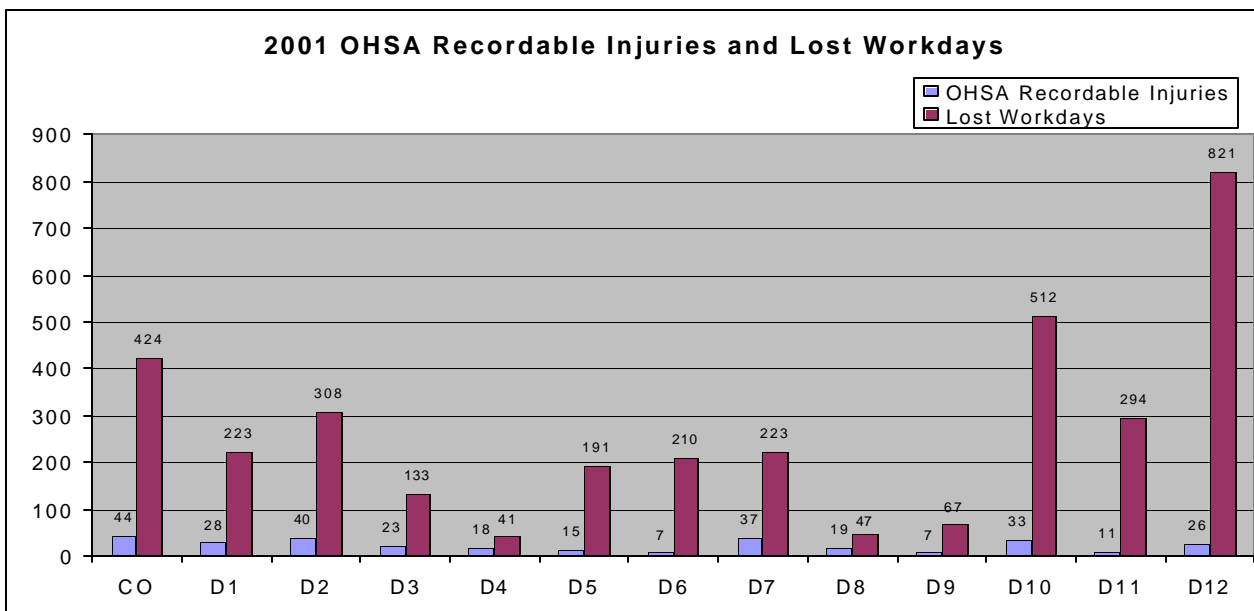
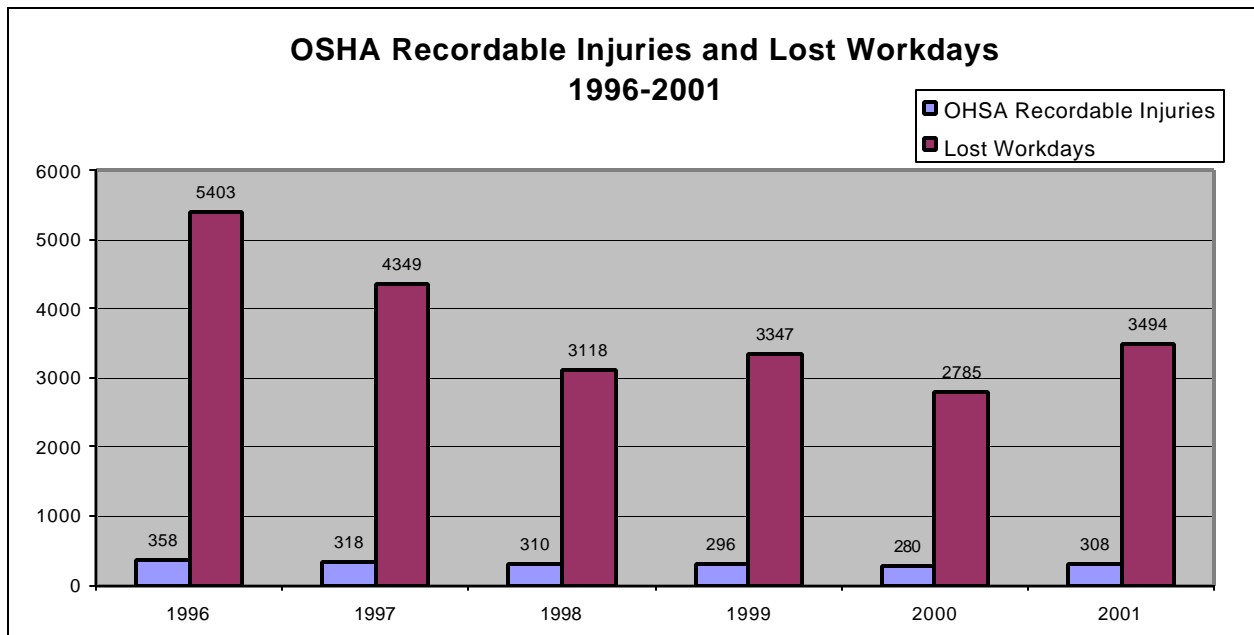
This measure assists in tracking employee safety.

Method

Lost workdays are recorded by calendar year, based on OSHA requirements, and by District.

Improvements/Results

An improvement is shown by a decrease.



Workers' Compensation Claims

Background

The Division of Workers' Compensation administers procedures, policies, and laws in accordance with Chapter 342 enacted by the Kentucky General Assembly for the Transportation Cabinet, that is self-insured. The staff receives and process workers' compensation First Report of Injury or Illness reports for Cabinet employees and reports all medical, suspicious and fraudulent claims to the third-party administrator, GAB Robins North America, Inc.

Purpose

The yearly billings charted below are indicative of a significant revision of the Kentucky Workers' Compensation Act during the 2000 Legislative Session and thus a visible increase. The 2000 Amendments leave in place the four-year limitation on reopening, but eliminate the two-year waiting period following an award or order granting or denying benefits. The two-year period following a previous motion to reopen by the same party was reduced to one year.

Method

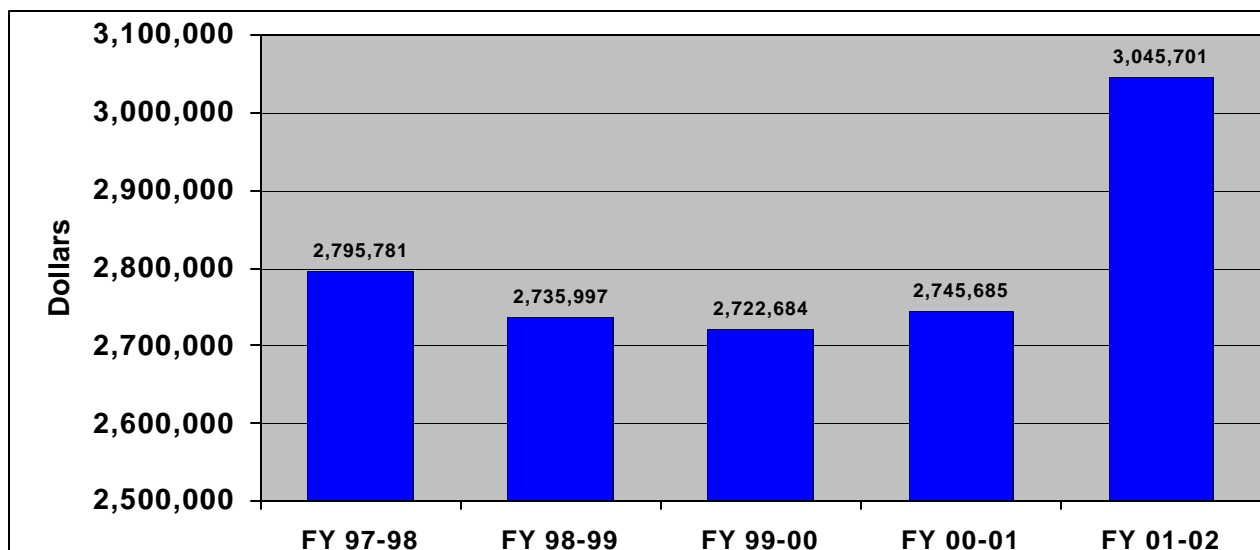
Data are compiled from First Report of Injury or Illness reports filed by the Districts and the Central Offices on injured employees. The data reported indicates the type of medical claims processed, if any were required. The category of "Medical Claim Filed" indicates the file was forwarded to GAB for claim processing. The category of "No Medical Claims Filed" is a large savings to the Cabinet, as they are not forwarded to the third-party carrier and only retained in-house. The data and information is collected based on calendar year, not fiscal year, so 2002 data is not available at this time.

Improvement/Results

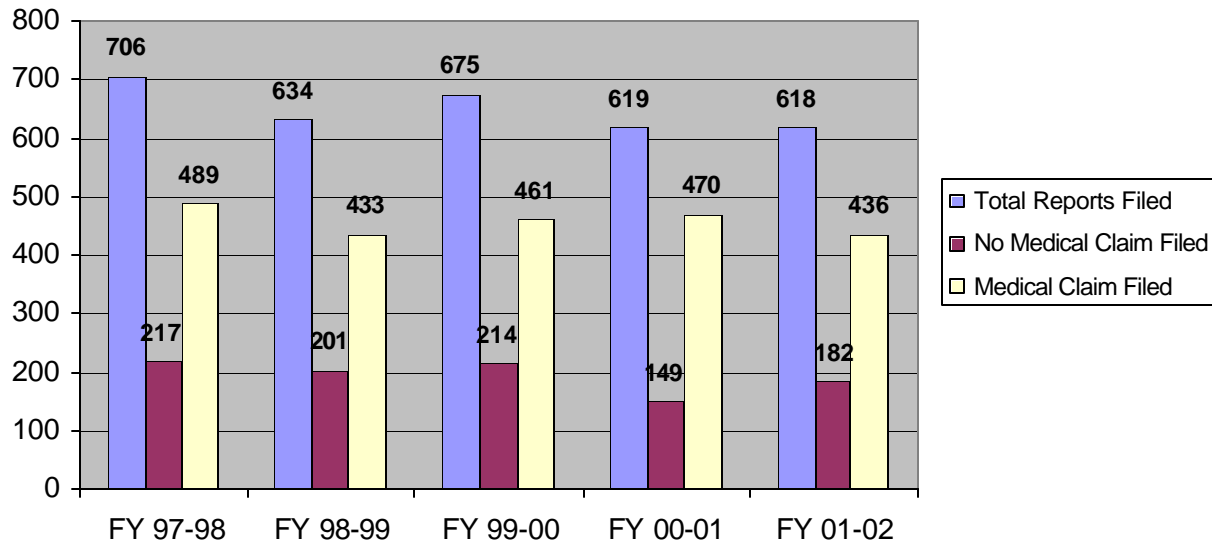
We must continue to provide training for cabinet-wide personnel or liaisons on the correct procedures for the First Report of Injury or Illness and how best to utilize the "Return to Work" philosophy. We must coordinate and implement safety efforts with the Division of Employee Safety and Health in order to further improve job safety by increasing our safety training, and use of seat belts to minimize work-related injuries and realize a decrease in claims.

We will continue to enhance partnerships and customer service to encourage and foster the relationships with our third-party carrier and excess insurance carrier for understanding or expectations and on-time delivery, which is in accordance with Chapter 342.

**GAB Billings
By Fiscal Year**



First Report of Injury or Illness by Fiscal Year



All First Reports of Injury or Illness are turned into Workers' Compensation for review and processing. If there is no medical claim filed for a report, the file is maintained in the Transportation Cabinet. If the report contains medical claims, the report is forwarded to GAB for claims processing. Worker's Compensation also retains files on any re-opened claims. Re-opened claims generally go into a litigation status to review when the claim was filed and what the law was at that time. Of the total reported claims, the decrease in those processed is due largely to the Cabinet's "Return to Work" program.

Information Technology Funding

This measure and information is under construction. Efforts are underway to identify performance measures for this area.

One primary measure under consideration is the percent of dollars expended/dedicated to technology. Our current estimate is 1.45%. Our initial thought for an expectation for this measurement is 2.5%.

We will be collecting information and benchmarking with other agencies to fine-tune a realistic expectation. We expect to have this measurement ready for managing by the next edition of *The Path*.

Equal Employment Opportunities

Background

It is the policy of the Transportation Cabinet to assure equal employment opportunities to all persons. All Cabinet employees shall be treated impartially and without regard to race, color, religion, national origin, sex, age or disability in all aspects of employment, including, but not limited to hiring, rates of pay or other forms of compensation, upgrading, demotion or transfer, disciplinary actions, layoff, termination and selection for training programs within the Cabinet. The Office of Minority Affairs oversees the Cabinet's Equal Employment Opportunity (EEO) programs, including the enforcement of Titles IV and VII of the Civil Rights Act.

Purpose

The Cabinet is committed to providing an Equal Employment Opportunity workplace.

Method

Data are collected from Personnel and forwarded to the Office of Minority Affairs. The data information is collected based on calendar year, not fiscal year, so 2002 data is not available at this time.

Improvement/Results

The Cabinet has established goals for minorities and women in the work force. The goal for percentage of females within the Cabinet is 20%. The Cabinet goal for the percentage of minority employees is 8.93%. We are currently meeting our goal of female employment within the Cabinet, but our goal of 8.93% for minority employees is not being met. Increased minority recruitment and other avenues of increasing minority employment must be explored in order to meet our goal for minority employment.

